

Exploration Update

RC Drilling Underway at Red Dale

LEFROY EXPLORATION LIMITED

A Western Australian
Focused Gold Explorer

ASX Code: LEX

Shares on Issue:
100.5m

Current Share Price:
12.5c

Market Capitalisation:
\$12.5million

Board of Directors
Chairman
Gordon Galt

Non-Executive Directors
Michael Davies
Geoffrey Pigott

Managing Director
Wade Johnson

Flagship Exploration Project
Lefroy Gold Project

Growth Exploration Project
Lake Johnston Project

Australian Registered Office
Level 2, 11 Ventnor Avenue
West Perth, 6005

E: info@lestroyex.com
T: +61 8 9321 0984
ARBN: 052 123 930

www.lestroyex.com

Key Points

- A reverse circulation drilling program is underway at the Red Dale prospect, located in the Company's Eastern Lefroy tenement package
- Red Dale is characterised by a broad geochemical gold footprint at the base of a palaeochannel over a 1600m strike length defined from drilling
- A Mineral Resource Estimate for the palaeochannel hosted gold mineralisation was outlined by the Company in 2018, containing an indicated resource of 484,000 tonnes at 1.26g/t for 19,600 ounces of gold
- The gold system targeted is within a granted Mining Lease located immediately north of and adjoining of Silver Lake Resources' Randall's Processing Plant, and also proximate to Lucky Strike
- Previous RC drilling by the Company returned multiple shallow gold intersections from the palaeochannel including:
 - 6m at 1.86 g/t Au from 45m in LEFR027
 - 6m at 1.75 g/t Au from 42m in LEFR013
 - 7m at 1.44 g/t Au from 47m in LEFR002
 - 3m at 7.58 g/t Au from 48m in LEFR033
- The drilling will support further evaluation of the higher tenor mineralised section of the channel gold system to both extend the palaeochannel hosted gold resource and provide vectors to a primary bedrock source area
- The program is expected to be completed in March with results anticipated in April 2020

Lefroy Exploration Limited (ASX: LEX) (“Lefroy” or “the Company”) is pleased to advise that a resource extension reverse circulation (RC) drilling program is underway at the Red Dale prospect. Red Dale is located within the Eastern Lefroy tenement package, that is part of the wholly owned greater Lefroy Gold Project (LGP) located 50km south east of Kalgoorlie.

The prospect is located approximately 4km north east of the Company’s priority Lucky Strike prospect and is immediately north, and adjoins, Silver Lake Resources (ASX: SLR) Randalls Processing Operation that includes the now closed Salt Creek mine (Figure 1). The Company’s recently drilled Mulga 3 prospect also adjoins and is immediately west of the Randalls Processing plant.

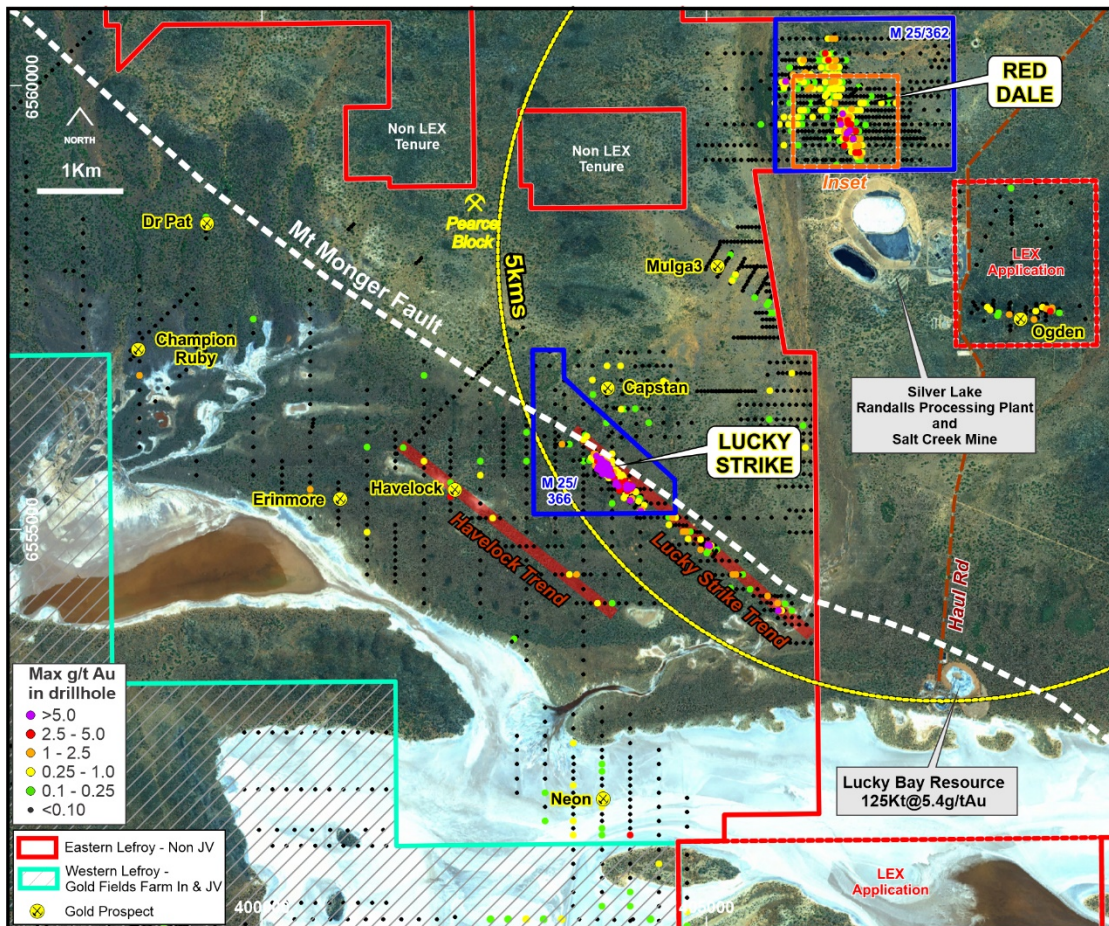


Figure 1 Map of the Lucky Strike priority exploration hub highlighting the location of Red Dale to the cluster of gold prospects identified by LEX and their proximity to the Randalls Processing Plant and the Salt Creek open pit. LEX granted Mining Leases shown with blue outline (refer to Figure 2 for inset map).

Background

The Red Dale Prospect adjoins (Figure 1), and is immediately north, of the Randalls Processing Plant and Salt Creek Open pit (abandoned) held by Silver Lake Resources (ASX: SLR). Gold mineralisation was identified at Red Dale in 2007 by Integra Mines Limited (“Integra”) following on from their discovery of the Salt Creek deposit located 2.5km to the south. This drilling during the period 2007-2010 identified a large regolith hosted gold anomaly approximately 1.6kms in length by up to 1km in width.

Numerous gold intersections were reported at or near the base of the palaeochannel sediments (transported overburden) in gravel horizons overlying a similar package of rocks as found at Salt Creek. The Company believes that this broad anomaly and the intersections are reflecting anomalous gold in transported basal gravels and sands derived from a nearby bedrock source and that the coarse material in the channel is unlikely to have been transported a significant distance.

Several programs of RC drilling targeting the gold in palaeochannel system were completed by the Company in 2017. Those programs intersected a gold mineralised horizon containing angular sub rounded fragments of quartz cobble and pebbles that suggest that a primary source maybe nearby.

That drilling recorded significant intersections, including 9m at 1.69g/t Au from 41m in LEFR006 and 6m at 1.75g/t Au from 42m in LEFR013, to confirm a gold mineralised palaeochannel system over 320m of strike and open to the north and south (Figure 2). The key aims of those programs was to gain further detailed appreciation of the character of the basal mineralised gravel horizon in the regolith and establish vectors to a primary gold source area.

In April 2018 (refer LEX March 2018 Quarterly Report) the Company announced a maiden resource estimate for the Red Dale palaeochannel hosted mineralisation. That estimated an indicated resource of 484,000tonnes at 1.26g/t Au (Au cut grade) for 19,600 ounces of gold.

Program

To further evaluate the Red Dale paleochannel system in the search for bedrock mineralisation (i.e. beneath the palaeochannel) a wide spaced RC program has commenced. The program will involve the drilling of approximately 25 vertical RC holes totalling 1500m on nine 40m spaced drill sections to evaluate 360m of strike of the palaeochannel (figure 2).

The design of the 25-hole program being two-fold, to first provide vectors from the mineralised basal palaeochannel gravels to a primary source and secondly to extend the palaeochannel resource to the north. A single angled hole will follow up a prior bedrock gold intersection below the palaeochannel in LEFR040.

The program is expected to be completed in March, with results anticipated in April 2020.



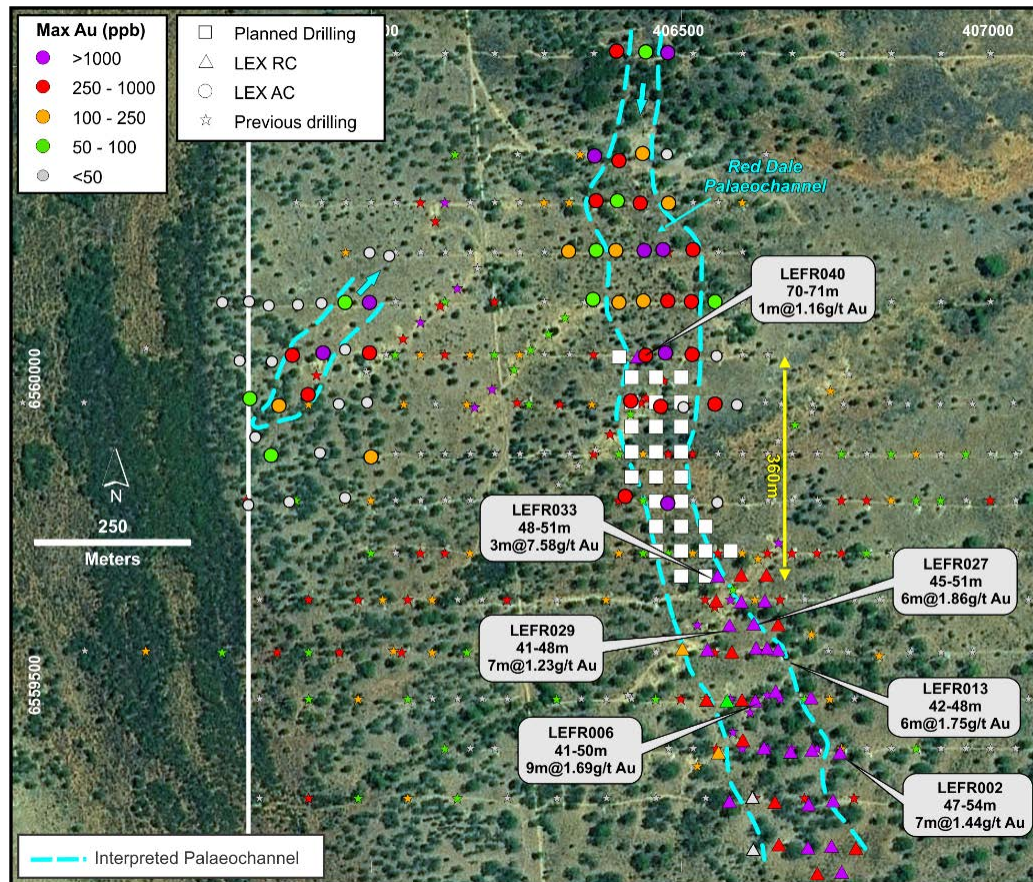


Figure 2 Inset Map of Red Dale to highlight previous drilling, location of the interpreted palaeochannel and proposed drill holes. Drilling is entirely within Mining Lease M25/362

This announcement has been authorised for release by the Board

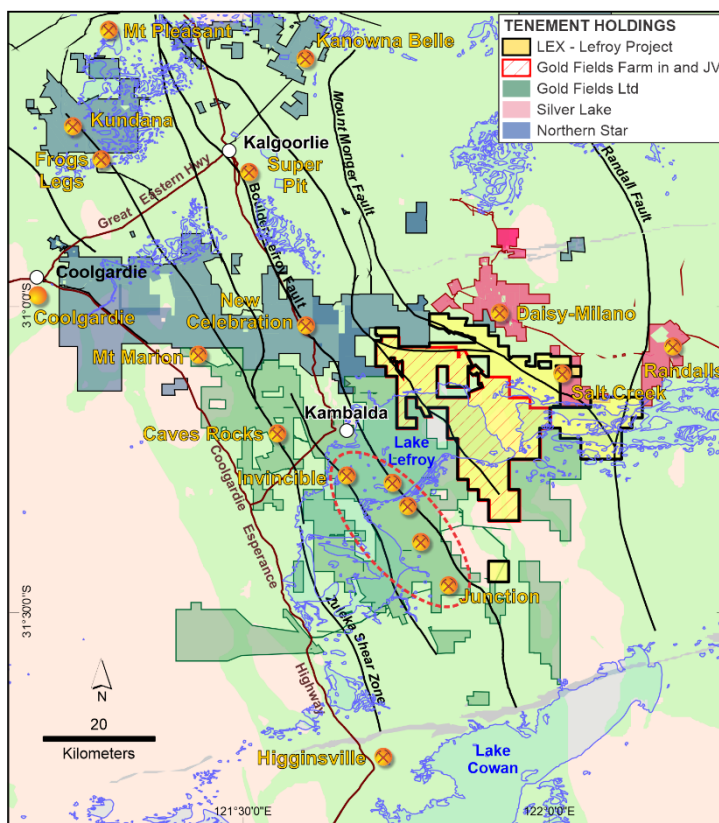


Wade Johnson
Managing Director

About Lefroy Exploration Limited and the Lefroy Gold Project

Lefroy Exploration Limited is a WA based and focused explorer taking a disciplined methodical and conceptual approach searching for high value gold deposits in the Yilgarn Block of Western Australia. Key projects include the Lefroy Gold Project to the south east of Kalgoorlie and the Lake Johnston Project 120km to the west of Norseman.

The 100% owned Lefroy Gold Project contains mainly granted tenure and covers 621km² in the heart of the world class gold production area between Kalgoorlie and Norseman. The Project is in close proximity to Gold Fields’ St Ives gold camp, which contains the Invincible gold mine located in Lake Lefroy and is also immediately south of Silver Lake Resources’ (ASX:SLR) Daisy Milano gold mining operation. The Project is divided into the Western Lefroy package, subject to a Farm-In Agreement with Gold Fields and the Eastern Lefroy package (100% Lefroy owned). The Farm-In Agreement with Gold Fields over the Western Lefroy tenement package commenced on 7 June 2018. Gold Fields can earn up to a 70% interest in the package by spending up to a total of \$25million on exploration activities within 6 years of the commencement date.



Location of the Lefroy Gold Project relative to Kalgoorlie, major gold deposits in the district and land holdings of Gold Fields, Northern Star Resources Ltd and Silver Lake Resources Limited.

For Further Information please contact:

Wade Johnson
Managing Director
Telephone: +61 8 93210984

Email: wjohnson@lestroyex.com

Notes Specific-ASX Announcements

The following announcements were lodged with the ASX and further details (including supporting JORC Reporting Tables) for the drill results noted in this Announcement can be found in the following releases. Note that these announcements are not the only announcements released to the ASX but specific to exploration reporting on RC and diamond drilling results at Red Dale at the Lefroy Gold Project.

- Lefroy Exploration Limited-Prospectus: 8 September 2016
- Managing Directors AGM Presentation: 5 December 2016
- Exploration Update: RC Drilling Commenced at Red Dale 24 April 2017
- Investor Roadshow Presentation 9 May 2017
- Drilling Commences at Red Dale:11 August 2017
- September 2017 Quarterly Activities Report: 25 October 2017
- RC Drilling Commenced at Red Dale: 14 November 2017
- High Grade Drill results at Red Dale: 15 December 2017
- March 2018 Quarterly Activities Report:27 April 2018

The information in this announcement that relates to exploration targets and exploration results is based on information compiled by Wade Johnson a competent person who is a member of the Australian Institute of Geoscientists (AIG). Wade Johnson is employed by Lefroy Exploration Limited. Wade has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Wade Johnson consents to the inclusion in this announcement of the matters based on his work in the form and context in which it appears.

Lefroy Exploration Limited -Red Dale gold Mineral Resource Estimate (at 0.5g/t Au cut-off grade)

Deposit	Measured			Indicated			Inferred			Total Resource		
	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
Red Dale	n/a	n/a	n/a	0.48	1.26	19,600	n/a	n/a	n/a	0.48	1.26	19,600
TOTAL	n/a	n/a	n/a	0.48	1.26	19,600	n/a	n/a	n/a	0.48	1.26	19,600

The Red Dale deposit is situated within the Company's Lefroy Gold Project located approximately 60km to the south east of Kalgoorlie, Western Australia. The resource is situated wholly within the Company's granted Mining lease M25/362. The Company engaged Resource Evaluation Services in 2018 to compile the Resource. The Company announced the Resource to the ASX in its March 2018 Quarterly report dated 27 April 2018 and reported in accordance with JORC 2012. The Company confirms there has been no exploration activity, including resource compilation at the Red Dale Deposit since April 2018 that would alter the Resource Statement.

The Mineral Resource estimate was compiled using standard industry methodology using geological interpretation, assay results from reverse circulation and diamond drilling, downhole and surface surveys collected by employee's of the Company. The Mineral Resource estimate was overseen by a suitably qualified LEX personnel and completed by a consultant who has sufficient experience to qualify as a Competant Person.

The Mineral Resources Statement included in each Company document is reviewed and approved by a suitably qualified Competent Person prior to its announcement.

RED DALE-Mineral Resource Estimate

Competent Persons Statement

The information in this report that relates to the Sampling Techniques and Data and Reporting of Exploration Results for the Red Dale deposit is based on, and fairly represents, information which has been compiled by employees of Lefroy Exploration under the supervision and guidance of Mr. Wayne Carter, Senior Exploration Geologist at Lefroy Exploration and Member of the Australasian Institute of Geoscientists. Mr. Carter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Carter consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to the Mineral Resource estimate at the Red Dale deposit is based on, and fairly represents, information which has been compiled by Mr Stephen Godfrey. Mr. Godfrey is Principal Resource Geologist at Resource Evaluation Services, a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Godfrey has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Godfrey consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.